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C O N F I D E N T I A L SECTION 01 OF 04 SUVA 000110

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SUBJECT: FIJI UPDATE, FEBRUARY 15, 2007: RFMF SAYS U.S. HAS SUSPENDED "PEACEKEEPING ACADEMY" FUNDING; METHODIST CHURCH AGAIN ASKS ILOILO TO RESIGN; TRAVEL BAN ON ACTIVISTS REPORTEDLY LIFTED, BUT HUMAN RIGHTS ABUSES CONTINUE; DIFFICULT ECONOMIC TIMES AHEAD

REF: SUVA 108

Classified By: Ambassador Dinger, 1.4 (B,D)

Summary

1. (C) The RFMF told the media today that the U.S. has suspended plans to support a new "peacekeeping academy" near Suva. The Methodist church has reconfirmed its request for President Iloilo to resign. The Interim Attorney General admitted that the RFMF had committed human rights violations but insisted controls have been put into place to put an end to abuses. He said a travel ban on human rights activists would be lifted beginning next week. The military would not confirm this or discuss PM Qarase's status. Despite the interim AG's assurances, we continue to hear reports of human rights abuses. Rumors continue to circulate that coup-leader Ratu Tevita Mara may be named Vice President next month. Interim Finance Minister Chaudhry says the Fiji economy may contract from 2-4% in 2007. That may be optimistic, though tourist numbers reportedly are recovering a bit. The interim government has confirmed it is cutting the retirement age and reducing civil service salaries to save money. The University of the South Pacific says that USD63 million in projects and investment at USP have been put on hold because of the coup. USP's Chancellor received a warning from the RFMF in regard to "academic freedom" but says he has no intention of giving into military pressure. End summary.

RFMF Reports that U.S. Has Suspended "Peacekeeping Academy"

2. (SBU) Deputy RFMF Commander Esala Teleni told reporters 2/15 that the U.S. has suspended plans to assist Fiji develop a peacekeeping center at the RFMF Officer Training School just outside Suva. Teleni said the RFMF had expected to set up the program with U.S. funds later this year, but now "we will just have to wait and see." (Comment: There had been discussion before the coup about using GPOI money to help fund the peacekeeping center, but nothing had been finalized. End comment.) We responded to a Fiji TV inquiry by citing the Department spokesman's Dec. 19 announcement of USG sanctions.

Methodist Church Still Wants Iloilo to Resign

3. (U) The Methodist Church, which earlier this month issued a statement asking interim PM Bainimarama and President Iloilo to resign, only to retract a week later

after a meeting with Bainimarama, may have landed in hot water with the interim government again. Assistant General Secretary Reverend Tuikilkila Waqairatu, reportedly the

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author of the original church statement, reiterated the church's stance 2/14 that President Iloilo should resign. He said the President's wisdom had carried the nation through troubled times, but now it is time for him to retire and enjoy the rest of his life in his home village. Waqairatu had no comment on the church's view in regard to interim PM Bainimarama.

Travel Ban on Activists Reportedly Lifted,
Lots of Questions Remain

4, (U) Interim Attorney General Sayed-Khaiyum announced in a speech on 2/14 that, effective 2/19, travel bans on Fiji citizens imposed after the coup will be lifted, "except for those who are currently under investigations for fraud, alleged misrepresentation of public funds or about to be brought before a tribunal or court of law." It remains unclear if the lifting of the travel ban applies to ousted PM Qarase, currently in "internal exile" on the island of Lau, and to democracy activists. Military spokesperson Leweni told reporters 2/15 that the RFMF will review the list of people on the banned list 2/19 and only then will be in a position to confirm who will be free to travel abroad.

Interim AG Admits Human Rights Violations, But Insists
Abuses Will Stop; Says RFMF Not Looking for Activists

5 (SBU) In Sayed-Khaiyum's 2/14 speech, he acknowledged that the RFMF and the police have taken "unnecessary actions...not through the normal or proper channels" but said

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steps are under way to correct these abuses. All allegations of human rights violations, he said, should be forwarded to the Fiji Human Rights Commission (FHRC) since "the government has full faith in the integrity, skills and expertise of the FHRC." In addition, the RFMF and the police "shall put into place measures to ensure no infringements of individual rights shall take place." The police will be responsible for all criminal matters, though they may seek the assistance of the RFMF when required. The RFMF will no longer entertain "ad hoc civil complaints." The RFMF has set up a new complaints desk in downtown Suva. Finally, "the Government and the Fiji Police and the RFMF has not and shall not interfere with the Judiciary." Although "it is suffice to say that we still have security concerns," Sayed-Khaiyum insisted that the RFMF is not looking for any persons to take to the barracks for making "political" statements. (Comment: This is not the first time Sayed-Khaiyum has stated that the military will clean up its human rights activities, leave the judiciary alone, and allow the police to resume law enforcement responsibilities. We remain highly skeptical. Unlike the interim AG, we have no confidence at all in the Fiji Human Rights Commission and its Director, Shaista Shameem. End comment.)

RFMF Runs Amuck in Savusavu

16. (SBU) Assurances from the interim AG notwithstanding, we continue to hear numerous reports of the RFMF taking the law into its own hands. During a trip to Savusavu, on the island of Vanua Levu in Fiji's north, the Ambassador was told that RFMF soldiers have been routinely entering villages to round up Fijian men as part of an operation ostensibly to stop the trafficking and use of marijuana. The soldiers give suspects a rough haircut with a cane knife as part of the operation.

In an incident last weekend, soldiers blocked off central Savusavu and did the haircut routine to several young men. Some observers we talked to seem delighted that a hard-charging RFMF is aiming to deter the drug problem. Others noted that not all those sheared are involved in the drug trade. "Rule of law" and "due process" concerns don't seem to have slowed down the military. We are told that many Fijian villagers have become more angry about the coup and its effects in light of this harshly implemented campaign. (Comment: another possible motive for the campaign is a rumor that counter-coup efforts might begin in Fijian villages on Vanua Levu.)

17. (SBU) It appears the RFMF continues to take on policing functions on an ad-hoc basis. A New Zealand citizen house-sitting for an Australian couple in Savusavu was taken in by soldiers for interrogation recently, reportedly because a neighbor of the Australian couple who had a bone to pick with them over a financial dispute had complained to the soldiers. We hear the Kiwi was detained for a while and was intimidated, but was not beaten.

SDL Files Case Against RFMF

18. (U) One test of the interim AG's commitment not to interfere with the judiciary will be how the SDL case against the military is handled. SDL lawyer Tevita Fa announced 2/15 that he is now ready to proceed and would file the case with the High Court today. RFMF Senior Legal Advisor Col. Mohammed Aziz told reporters that the military has been expecting the move.

More VP Rumors About Coup-Leader Mara

19. (U) The media reported rumors this week that Third Fiji Infantry Regiment Commander Ratu Tevita Mara, son of the late President Ratu Kamisese Mara, a coup ringleader, and one of those fingered for gross abuses against human rights activists, would be appointed Vice President by the Great Council of Chiefs next month. Some rumors stated that Mara has resigned from the RFMF in preparation for the appointment and that his wife has resigned from her job in the Ministry of Health. RFMF spokesman Leweni said that Mara has not resigned, nor has he any intention to do so. Nevertheless, other military sources have indicated to the media that the RFMF is actively promoting Mara's candidacy for the VP job. GCC Chairman Ratu Ovini Bokini told reporters 2/13 that the

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GCC has made no decision about who will be the next Vice President.

Interim Government Confirms Plans to Reduce Retirement Age, Cut Civil Service Salaries

10. (U) The interim government announced this week that the cabinet had approved the plan to reduce the retirement age of civil servants from 60 to 55. The earlier retirement age is expected to save the interim government about FJ\$10 million. The interim government also reiterated its plan to cut civil service salaries by 5% across the board, thus saving at least FJ\$30 million and to cancel planned cost of living payments negotiated by the unions and the SDL-led government. In a speech February 12, interim PM Bainimarama said the "real" reduction in salaries was only 2.5%, since the interim government had cancelled the planned 2.5% increase in VAT. (Comment: Since the VAT does not cover all expenditures, Bainimarama is using some creative accounting here.) Public Sector unions continued to criticize the planned pay cut, saying they may take legal or labor actions against it. Most civil servants we have spoken to, however, consider the pay

cut a done deal. One told us the pay reduction is much less than he expected, noting that the coup-led government in 1987 cut salaries by 15%, and pay was cut after the 2000 coup by 10%. It remains unclear how the lowering of the retirement age will be implemented. In his February 12 speech, Bainimarama insisted there would be no layoffs ("redundancies" in Fiji parlance). Apparently, forced and unexpected retirement does not qualify as a "redundancy."

Tough Times for the Economy

¶11. (C) Interim Finance Minister Chaudhry told reporters that Fiji's GDP in 2007 will likely decline 2-4%. Chaudhry insisted the dire economic straits relate back to the previous government, more than to the coup. "The nation knows that we were heading for an economic disaster before December 5," he said. Chaudhry said the emergency budget he will present March 2 will stabilize the country's treasury, ensure the budget deficit stays within 2%, and start Fiji back on the road to economic recovery. A senior Reserve Bank official told us last week that the 2-4% decline in GDP is based on several assumptions, including a rebound in tourism and continuation of EU aid for Fiji's sugar industry. In December, the Reserve Bank projected a GDP drop for 2007 as high as 10%, she said. A recent upswing in tourist numbers led to the current, more optimistic estimate of 2007 economic performance. The Reserve Bank official told us that even without the coup, this would have been a tough economic year, with the closing of the Emperor Gold Mine and very tight financial reserve levels. Nevertheless, the Reserve Bank believes the economy would have grown 1-2% this year had the coup not taken place.

¶12. (C) Comment: Tourist numbers do seem to be recovering, based on cheap package deals at much lower revenue levels than would have been the case without the coup. Even with such packages, tourist and real-estate businesses in Savusavu said they are in a depression. A formerly popular tourist resort had a total of two customers when we dropped by. The question of whether the EU's sugar-reform assistance will flow remains an open question. Even Chaudhry recently said publicly that the EU might suspend implementation during the near term when it considers the subject under a Cotonou Agreement consultation in the next few weeks. Whichever way you slice it, this is going to be a very difficult year for Fiji's economy. Septel will give a fuller review of Fiji's economic prospects for 2007.

USP Feels Coup Effects; UOF Seems to Welcome It

¶13. (C) University of the South Pacific (USP) Vice Chancellor Anthony Tarr confirmed to us 2/13 that he received an intimidating phone call from the RFMF after he circulated an e-mail to faculty and staff reinforcing his support for academic freedom. Tarr said he was "not too worried" about the phone call and had no intention of changing his stance. Tarr noted that the beginning of classes for USP's upcoming semester had been delayed by two weeks, to February 26, because of the coup. The USP administration wanted to be

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sure parents from countries across the Pacific had time to make a rational decision about sending their children to a university in a country where a "State of Emergency" exists. Tarr said that once classes start again, he wouldn't be surprised if the university's relations with the interim government and RFMF "heat up" a bit. Tarr said the coup has already had a big financial impact on the university. Projects and investment totalling FJ105 million (about USD 60 million) have been delayed because of the coup, including a FJ\$35 million (USD 20 million) program funded by Japan and

implemented through the Ministry of Education.

¶14. (C) Officials at the much smaller University of Fiji, near Nadi in the West (about 600 students vs. 15,000 at the USP Suva campus), are much more positive about the interim regime. Rajesh Chandra, the Vice Chancellor of the University, said that the new group in the Ministry of Education is far more responsive and efficient than the previous government. Within the last few weeks, for example, the interim regime approved the university's long-standing request to be eligible for government-funded scholarships.

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